

-Request for Proposals-
Underwriter
Official Notice Number 6447



**Milwaukee County, Wisconsin
Department of Administrative Services**

May 22, 2009

Proposals Due by Noon Central Standard Time
June 11, 2009

**Please Label Proposals with Firm's Name and Address
and "Proposal for Underwriter"**

REQUEST FOR PROPOSALS FOR UNDERWRITING SERVICES

Introduction:

The purpose of this Request for Proposals (“RFP”) is to identify qualified firms to serve as Underwriter for prospective Airport bond financings for Milwaukee County, WI. The selected Underwriter will work as part of a financing team with Milwaukee County’s financial advisors (Public Financial Management and Peralta Garcia Solutions) and the County’s bond counsel, Chapman and Cutler, LLP.

The County is seeking to select a firm to underwrite potential General Airport Revenue Bonds (GARBs) which the County will consider issuing during 2009 and 2010. While the County desires to select one senior manager to act as underwriter on all transactions, the County retains the right to select one or more co-managers and to replace the senior manager at any time. The County is currently evaluating options for financing including options resulting from the passage of the American Recovery and Reinvestment Act of 2009. Potential debt issuances include:

- A. General Airport Revenue Bonds not subject to the AMT or, as an alternative, the issuance of Build America Bonds to fund the Airport Capital Improvement Plan. Currently, the Capital Improvement Plan anticipates the issuance of GARBs in 2009 and 2010. Both the timing and amount to finance are currently being evaluated in light of the AMT and Build America Bond provisions.
- B. Should the economics of such a transaction benefit the County, the County would consider issuing bonds not subject to the AMT to tender any of the following issues which were issued subject to the AMT:

Series	Principal Outstanding	Call Provisions
2004A	\$33,690,000	12/1/2014 @ par
2005A	\$28,645,000	12/1/2016 @ par
2005B	\$ 5,470,000	12/1/2016 @ par
2006A	\$25,045,000	12/1/2016 @ par
2006B	\$ 2,790,000	12/1/2016 @ par
2007A	\$13,185,000	12/1/2016 @ par

- C. If the economics of the transaction benefits the County, the County intends to current refund the following issues with debt subject to the AMT:

Series 1999A General Obligation Airport Bonds \$2,275,000 callable 10/1/09 @par
Series 2000A General Airport Revenue Bonds \$55,095,000 callable 12/1/10 @ par.

Description of Milwaukee County:

Milwaukee County serves as a population, economic and financial center of the state of Wisconsin. Milwaukee County is located in southeastern Wisconsin on the Lake Michigan shoreline. The County covers an area of approximately 242 square miles and consists of ten cities and nine villages. The City of Milwaukee, which acts as the County seat, contains approximately 63 percent of the County's population and 48 percent of its taxable property value. Milwaukee County's 2008 population estimate is 938,490.

The Airport System

The County owns and operates General Mitchell International Airport ("GMIA" or "Airport") and Lawrence J. Timmerman Airport ("Timmerman Airport"), which together comprise the Milwaukee County Airport System (the "Airport System"). The Airport System is a division within the County's Department of Transportation and Public Works and is accounted for as an enterprise fund in the County's financial statements.

GMIA is located on 2,386 acres approximately six miles south of downtown Milwaukee.

The airfield is equipped with five (5) hard surfaced runways, connecting taxiways and loading ramps. The runways range in length from 4,182 feet to 9,960 feet, and in width from 100 feet to 200 feet. Instrument Runways 1L-19R (9,690 feet long by 200 feet wide) and 7R-25L (8,010 feet long by 150 feet wide) are capable of handling commercial jet aircraft.

The terminal complex consists of a main terminal building with 48 gates located on three concourses. Parking at GMIA is provided through a six-level, 9,000 vehicle parking structure, a 700 vehicle (nearby) economy parking lot and several remote parking lots. Rental ready-car operations are conducted on the first two floors of the parking structure nearest the terminal.

GMIA accounts for over 99% of the revenues of the Airport System. GMIA is the largest airport in the State of Wisconsin.

Thirteen airlines provide approximately 194 daily departures from GMIA. The passenger total during 2008 was 7,956,968.

Scope of Services

The county will select a senior manager for its General Airport Revenue Bond financing.

The scope of services to be provided by the senior manager(s) includes, but is not limited to:

- Assisting the County and its financial advisor in developing the optimal plan of finance, including the quantitative analysis needed to support this effort;
- Participating in planning, structuring and executing the financings contemplated under the plan of finance, as described in the introduction of this Request for Proposals.

- Assessing market conditions and their impact on the timing of any financings;
- Reviewing all disclosure, sale and other relevant financing documents in conjunction with Bond Counsel;
- Assisting in obtaining credit ratings and bond insurance (if necessary), including preparing presentations, and attending and participating in rating agency and bond insurer meetings;
- Managing the marketing and sale of any bonds issued pursuant to the plan of finance;
- Completing all administrative obligations required to properly close any financing,
- Attending all required meetings and conference calls;

Proposal Format

Completed proposals should include the following proposal elements:

- Profile of Organization and Summary of Experience and Qualifications in a cover letter (maximum of 2 pages)
- Responses to Questions (maximum of 20 pages)

Profile of Organization and Summary of Experience and Qualifications

A profile of the respondent firm in a cover letter is requested for general background information. The description of the proposer's qualifications will be used in the evaluation of each underwriter proposal. Please include the following information:

1. Describe your firm's relevant experience, organizational structure and size. Describe the firm's scope of operation and areas of concentration.
2. Discuss the location of the office from which the work is to be performed and indicate the number of professional staff employed at that office.
3. Indicate the names and locations of the individuals who will be primarily responsible for providing the requested services.
4. Provide a description of your firm's approach to the plan of finance. Include a discussion of AMT versus non-AMT financing, the potential issuance of Build America Bonds, and the potential of issuing debt to finance a tender offer to existing bond holders.

Questions

1. Provide a brief description of your firm and its municipal bond and/or public finance department. Provide in tabular form for 2007, 2008 and YTD 2009, the firm's capital and excess net capital. Describe two situations in which the firm's capital was used to underwrite the unsold balance of a municipal bond issue.
2. In tabular form, please provide the staffing levels for municipal finance for 2007, 2008 and YTD 2009 for investment banking, institutional sales, trading and underwriting and municipal derivatives with totals. Separately, list municipal retail sales personnel including retail liaisons, Wisconsin retail sales persons and other national retail sales persons.
3. Describe your firm's sales and distribution capabilities. (Limit 1 page)
4. In tabular form list and total all general airport revenue bond and passenger facility bond financings in which your firm has served as lead manager since January 1, 2007. Please include sale date (most recent first), Issuer, Amount, and an issuer contact and phone number for all transactions in which your firm has served as lead manager.
5. Discuss the firm's last financing for an airport issuer.
6. Discuss the firm's experience with tendering bonds as a method of currently refunding fixed rate debt.
7. Provide the names and brief resumes for the lead banker, the supporting banker, the quantitative analysis banker, underwriter, institutional sales manager and retail sales manager and any other members of the team. For the lead banker, please provide three references (name, title, issuer, address, phone and fax number and email address).
8. Discuss your marketing plan for the County's general airport revenue bonds. Include in your discussion the firm's strategy for attracting retail investors. (limit 2 pages)
9. Indicate the amount of any political contribution to current Milwaukee County officials (as defined in MSRB Rule G37), made by principals of your firm within the last two years.
10. If your firm has a preference, list three law firms that your firm would consider for underwriters' counsel.
11. Provide a fee on a per bond basis for underwriting the transaction, including management fee, average takedown, underwriting fees (risk) and expenses (excluding underwriter's counsel) and gross spread. Separate Fees may be provided for AMT Bonds, non-AMT Bonds and Build America Bonds.

Note: The lead underwriter may or may not receive 100 percent of the bonds. The County will determine whether or not to include a co-manager after proposals are received.

All costs proposals are final and may not be adjusted.

Include all information related to these fees in a separate sealed envelope accompanying this proposal.

12. Respondents must comply with the Milwaukee County policies to achieve participation of certified Disadvantaged Business Enterprise (DBE¹) firm. Detailed information is provided in the section below regarding compliance.

Disadvantaged Business Enterprise Requirements.

1. General. The successful consultant/service provider shall comply with 49 CFR Part 26 and Chapter 42 of the Milwaukee County Ordinances, which requires Good Faith Efforts (“GFE”) to achieve participation of certified Disadvantaged Business Enterprise firms on all US DOT and Milwaukee County funded professional service contracts. In accordance with this Milwaukee County policy and US DOT requirements, the consultant/service provider shall ensure that DBEs have an opportunity to participate in this project/contract. (Refer to Section 2 for the specific DBE participation requirements and contract goal). (The term "DBE" means small business concerns known as Disadvantaged Business Enterprise firms owned at least 51% by socially and economically disadvantaged individuals, and certified by Milwaukee County under 49 CFR Part 26).

The Community Business Development Partners (“CBDP”) of the Milwaukee County Board of Supervisors is authorized to make the determination that consultant/service provider has made a good faith effort to achieve the required DBE participation by doing the following:

- a) Shows evidence that it has met the DBE participation by submitting a complete Commitment to Subcontract to DBE Firms (DBD-014PS) form; or
- b) Documents that it made good faith efforts to meet the DBE participation goal, even though it did not succeed in achieving it. In this case, the consultant/service provider must submit the Certificate of Good Faith Efforts (DBD-001PS) form (Attachment C-2) and all relevant documentation to the CBDP Office for its GFE determination within three (3) working days of notification of being the successful Respondent.

The efforts employed by the consultant/service provider should be those that one could reasonably expect a consultant/service provider to take if the consultant/service provider were actively and aggressively trying to obtain DBE participation sufficient to meet the DBE contract goal. Mere pro forma efforts are not good faith efforts to meet the DBE

¹ The term "DBE" means small business concerns known as Disadvantaged Business Enterprise (DBE) firms owned at least 51% by socially and economically disadvantaged individuals, and certified by Milwaukee County under CFR 49 Part 26.

contract requirements. (49 CFR § 26.53 and Appendix A to 49 CFR Part 26 provides guidance regarding GFE). Also refer to Milwaukee County DBE Provisions governing GFE attached to this document (Attachment C-3).

In the event CBDP determines that the consultant/service provider has failed to meet the GFE requirements, consultant/service provider is entitled to appeal this determination. The provisions of 49 CFR § 26.53(d) apply to such an appeal. A request for administrative reconsideration must be sent within three (3) calendar days of receiving written notice from the CBDP of the failure to meet the GFE requirement. The request should be sent to:

CBDP Division
City Campus, Room 800
2711 West Wells Street
Milwaukee, WI 53208

Prime consultant/service provider must submit with its proposal, the Sub-consultant Information Sheet (DBD-002PS) form (Exhibit B).

The consultant/service provider shall prepare and submit accurate and timely forms and reports on DBE utilization to the CBDP Office. These shall include, but not be limited to, Milwaukee County DBE Utilization Plan, DBE Utilization Reports, and Sub-Consultant Information Sheet as directed. Failure to submit forms and reports as prescribed herein will result in disqualification of proposal, delay in payments, or other sanctions deemed appropriate by the County, including those listed under Section (I)(F).

When evaluating the performance of this contract, Milwaukee County reserves the right to conduct compliance reviews and request, both from the prime consultant/service provider and DBE sub-consultant(s), documentation that would indicate level of compliance. If the consultant/service provider is not in compliance with the specifications, the County will notify the consultant/service provider in writing of the corrective action that will bring the consultant/service provider into compliance. If the consultant/service provider fails or refuses to take corrective action as directed, Milwaukee County may take one or more of the actions listed below:

- a) Terminate or cancel the contract, in whole or in part.
- b) Remove the consultant/service provider from the list of qualified consultant/service providers and refuse to accept future proposals for a period not to exceed three years.
- c) Impose other appropriate sanctions, including withholding any retainage or other contract payments due which are sufficient to cover the unmet portion of the DBE goal, where the failure to meet the goal is the result of a finding by the CBDP Office of consultant/service provider's bad faith.
- d) If the consultant/service provider has completed its contract, and the goal was not met due to an absence of good faith on the part of the consultant/service provider,

the parties agree that the proper measure of damages for such non-compliance shall be the dollar amount of the unmet portion of the DBE goal. The County may in such case retain any unpaid contract amounts and retainage otherwise due the consultant/service provider, up to the amount of the unmet goal. If insufficient funds remain in the contract account to compensate the County up to that amount, Milwaukee County may bring suit to recover damages up to the amount of the unmet goal, including interest at the rate of 12% annually, plus the County's costs, expenses, and actual attorneys' fees incurred in the collection action.

2. DBE Participation Goal. Each prime consultant/service provider shall utilize DBE Firms to a minimum of 17 percent DBE of the total contract. DBE participation requirement relative to contract award shall be based upon the approved Milwaukee County Commitment to Subcontract to DBE Firms (DBD-014PS) form. Consultants/service providers receiving additional work on the contract in the form of change orders, addendum, etc. shall be expected to increase DBE participation proportionally.

Consultant/service provider should note that for the purpose of proposal evaluation, only DBEs certified at the time of proposal submission would be counted toward the goal. Consultants/service providers must submit a Commitment to Subcontract to DBE Firms form or a DBE Utilization Plan in their proposal including, but not limited to, the following information (see form DBD-014PS for additional details):

- a) Name(s) of DBE(s) being considered for utilization.
- b) Description of services that will be provided by the DBE(s).
- c) Percentage of the work assigned to the DBE(s). Also, include dollar amount.

For a list of certified DBEs, call the Certification Section at (414) 278-4747. If you need additional assistance in the identification of DBEs, contact the CBDP Office at (414) 278-5248.

A prime consultant/service provider shall count towards the DBE requirement and be credited with one hundred percent (100%) of expenditures to DBE firms, if all of the identified scope of work has a commercially useful function in the actual work of the contract and is performed directly by the listed certified DBE firm. The Director of the CBDP Office through the application of 49 CFR § 26.55(c) will be responsible for the determination and evaluation of whether or not the firm is performing a commercially useful function on this project.

Prime consultant/service provider is required to notify the CBDP Office if their DBE subcontractors will further subcontract out work on this project. Credit will be given based on actual participation by DBEs.

Listing a DBE on the Commitment to Subcontract to DBE Firms form or Plan shall constitute a written representation and commitment that the prime consultant/service

provider has communicated and negotiated directly with the DBE firms(s) listed, and that it will use the listed firm(s). If awarded the contract, the prime contractor will enter into a subcontract agreement with the DBE firm(s) listed on the Commitment to Subcontract to DBE Firms form for the work and price set forth thereon. This agreement must be submitted to the CBDP Office within seven (7) days from the Notice to Proceed.

Prime consultant/service provider must maintain DBE participation and performance logs. If the DBE firm(s) cannot perform, or if the prime consultant/service provider has a problem in meeting the DBE goal, or any other problem relative to the DBE goal requirement, the prime contractor shall immediately contact the CBDP Office at (414) 278-5248. If needed, prime contractor must submit a written request for substitution, including the reason for the request and the log. Approval must be obtained prior to making substitutions. Any difference in the cost occasioned by such substitution shall be borne by the prime contractor.

DBE Utilization Reports/Payment Applications. DBE Utilization Reports (form DBD-016PS, Attachment C-5) must be submitted with the Payment Applications. These reports must cover the period from the start of the project to the end of the period covered by the payment application being submitted or the period since the last payment application. The reports must be submitted even if no DBE activity took place during the period being reported. The County Project Manager will reject payment applications that are not in compliance with this section.

Final Payment Verification. The prime consultant/service provider must submit the "DBE Subcontractor Payment Certification" form (DBD-018PS, Attachment C-6) and the final DBE Utilization Report along with their Final Payment Application. The County Project Manager will not process the Final Payment Application if these reports are not submitted.

County reserves the right to waive any of these specifications when it is in the best interest of the County and with the concurrence of the CBDP Office.

Evaluation of Proposals:

Proposals will be evaluated by a review panel.

Terms and Conditions:

The County has the right to reject any and all proposals; to disqualify any proposals not meeting the Request for Proposal due dates; to disqualify any proposals not following Request for Proposal communication procedures; and to disqualify any proposals not responsive to the criteria specified for evaluation. The County has the right to take into consideration the abstract and the formal content of the proposal. The County will not be liable for any costs incurred by proposers prior to the issuance of an agreement nor will pre-agreement costs be authorized to any firm. The County reserves the right to request clarification of submitted information and to request additional information from applicants.

Prior to making a final decision, the County reserves the right to negotiate with the recommended firm(s) any terms and conditions which may be different from those originally proposed or required by this RFP.

The County will not be liable for any costs incurred by proposers in the preparation or production of the proposal nor will pre-agreement costs be authorized to any proposer. All proposals and materials submitted in conjunction with the proposals will become the property of the County.

All contracts will be reviewed and approved, in writing, by the County's Risk Manager for financial responsibility and liability management, including appropriate insurance provisions and modification in indemnity agreements.

If there is a discrepancy between this RFQ and the contract, the language of the contract will rule.

Contents of Proposal:

All attachments, additional pages, addenda or explanation supplied by the vendor in the submission package will be considered as part of the RFQ response. The material will be evaluated as part of the vendor's response to the RFQ and will eventually be incorporated as part of the terms and conditions of the successful proposer's contract with Milwaukee County.

Milwaukee County Contact Person

Questions about request for qualification requirements should be directed to Pamela Bryant, Capital Finance Manager at (414) 278-4396.

Changes in request for Qualification:

If it becomes necessary to revise any part of this RFQ or otherwise provide additional information to potential bidders, an addendum will be posted on the County's website.

Proposal Process Timeline and Due Date

Please Label Proposals with Firm's Name and Address and "Proposal for Underwriter". Six (6) sealed copies of the proposal for underwriter shall be submitted. Five (5) copies must be received in the Office of the County Clerk, no later than noon, Central Time on June 11, 2007. The other copy of the proposal should be sent to the County's financial advisor as follows:

Please include all information required by Question 11, (relating to fees), in a separate sealed envelope.

Five Copies of Proposal to:
Ms. Cindy Archer, Director
C/o Milwaukee County Clerk's Office
Courthouse, Room 105
901 North Ninth Street
Milwaukee, Wisconsin 53233

One Copy of Proposal to:
Mr. David Anderson
Public Financial Management
115 South 84th Street
Suite 100
Milwaukee, WI 53214

Proposals will be evaluated by the review panel. Interviews may be held with select firms. The anticipated schedule of events is shown below:

Action	Date
Request for Proposals Issued	05/22/2009
Proposals Due to County	06/11/2009
Recommendation to Finance and Audit Committee	06/30/2009
Recommendation to County Board	07/23/2009